

California State Summer School for the Arts' Review Pursuant to the Financial Integrity and State Managers Accountability Act (FISMA)

Department: California State Summer School for the Arts

Organization Code: 6255

INTRODUCTION:

In accordance with the Financial Integrity and State Managers Accountability (FISMA) Act of 1983, the California State Summer School for the Arts submits this report on the review of our systems of internal control for the biennial period ended December 31, 2009.

BACKGROUND:

The California State Summer School for the Arts was established by a bill authored by then State Senator John Garamendi and signed by Governor Deukmejian in 1985 (Education Code section 8950).

The major objectives stated by the Legislature in establishing the program:

- To enable artistically gifted and talented students, broadly representative of the socioeconomic and ethnic diversity of the state, to receive intensive training in the arts through a multidisciplinary program;
- To provide a training ground for future artists who may wish to study and practice the arts or to pursue careers in the major performing arts companies and the commercial and fine arts institutions in California;
- To establish a model for partnership between the public and private sectors.

The California State Summer School for the Arts is the result of unique public and private sector planning and support. Recently completing its twenty-third summer of operation, the school has trained more than 11,000 highly talented students in the arts.

The California State Summer School for the Arts is governed by a 15 member board of trustees. The membership of this board is as follows: four members appointed by the Governor; one member appointed by the Speaker of the Assembly; one member appointed by the Senate Committee on rules; two members appointed by the State Board of Education; one member appointed by the California Arts Council; one member appointed by the Trustees of the California State University; one member appointed by the Regents of the

University of California; four members appointed by the governing board of the California State Summer School for the Arts' nonprofit foundation.

As a small department, the California State Summer School for the Arts relies on interdepartmental contracts with other state departments to provide all accounting and personnel services. The California Arts Council provides both services and has reportedly separately regarding internal audit and accounting controls.

If you have any questions, please contact Robert Jaffe, Director, 916-274-5815, rjaffe@csssa.org or Katrina Dolenga, Deputy Director, 916-274-5975, kdolenga@csssa.org

VACANT POSITIONS:

The California State Summer School for the Arts does not currently have vacant positions and has reviewed Government Code section 12439.

RISK ASSESSMENT:

The executive management of the California State Summer School for the Arts, Director and Deputy Director, considered what, if anything, needed to be improved and carefully scrutinized the greatest vulnerabilities to the organization. Both the Director and Deputy Director reviewed and employed the methodology outlined in the publication, *Guidance for the Evaluation of Internal Control*, as prepared by the Department of Finance, Office of State Audits and Evaluations. Also included in the Director and Deputy Director's review were documents available through the Department of Finance (*Control Environment Questions, Management's Roles and Responsibilities, Frequently Asked Questions*) and the Department of General Services' State Administrative Manual section 20060.

EVALUATION OF RISKS AND CONTROLS:

Issue No. 1: Succession Plan

The chief area of concern for the California State Summer School for the Arts is succession. The current Director's tenure spans the entire life of the program. The Director is eligible for retirement.

Corrective Action for Issue No. 1:

The Board of Trustees established a committee to review management succession of the organization. Currently, this issue is under review.

Issue No. 2: Retirement and Leave Balances

When succession occurs in the organization's top position, Director, there will be a major negative impact to the budget due to the necessary buyout of leave balances.

Corrective Action for Issue No. 2:

The Board of Trustees established a committee to review management succession of the organization. Currently, this issue is under review.

Issue No. 3: Key Person Dependency

As a small department, the California State Summer School for the Arts, relies on individuals for key functions. Key person dependency has been a serious issue for the Summer School since its inception.

Corrective Action No. 3:

Unfortunately, the California State Summer School for the Arts has yet to overcome this issue or realize viable solutions. As a department of four positions, our goal has been to implement and require detailed documentation in files. In the event of absence, any other personnel should be able to resume the work with the aid of the documented file.

Issue No. 4: Staff Advancement Opportunities

Challenging for many small departments is the inability to provide advancement opportunities. With only four budgeted positions, promotional opportunities are infrequent and limited. Given this limitation, turnover in our Office Technician position is expected. When turnover occurs, additional burden is placed on the other three positions. In addition to the workload burden, recruiting a replacement is time intensive.

Corrective Action No. 4:

Advancement opportunities are limited and infrequent in an office with four budgeted positions. We have yet to find a solution.

Issue No. 5: Summer Relocation

In order for the California State Summer School for the Arts to achieve its primary mission, all four positions are required to reside in the host site city for five to six weeks. This job requirement results in recruitment and retention challenges.

Corrective Action No. 5:

This is a challenge that has been pondered for years. Given the mission of the organization and the nature of the operation, it is imperative that all staff members be present during session. Greater efforts are being made, however, to ensure that staff receive two consecutive days off weekly for a home visit if desired.

CONCLUSION:

Through the California State Summer School for the Arts' systems of internal control, the above five conditions were identified. We are confident with the control systems in place.